

806 KAR 9:030. Adjusters, apprentice adjusters; licenses, restrictions.

RELATES TO: KRS 304.9-430(3)(a), 304.9-430(2)(g), 304.9-432(2)(d)

STATUTORY AUTHORITY: KRS 304.2-110(1)

NECESSITY, FUNCTION, AND CONFORMITY: KRS 304.2-110(1) authorizes the Commissioner of the Department of Insurance to promulgate administrative regulations necessary for or as an aid to the effectuation of any provision of the Kentucky Insurance Code as defined in KRS 304.1-010. This administrative regulation restricts the persons whom an adjuster may represent thus preventing any conflicts of interest, and clarifies the circumstances under which the restriction for holding only one (1) apprentice adjuster license applies.

Section 1. (1) An independent, staff, or public adjuster's license issued to an applicant pursuant to the provisions of the Insurance Code shall not authorize representing the interest of both insurer and the insured or claimant. A licensee shall not represent the interest of both insurer and the insured or claimant.

(2) When the application is filed, an applicant shall elect to act solely on behalf of:

(a) Insurers; or

(b) Persons claiming benefits under insurance or annuity contracts.

(3) A licensee shall act in a fiduciary capacity to his principal.

(4) The commissioner shall not issue a license to a public adjuster until the prospective licensee posts a bond or irrevocable letter of credit in the amount of \$20,000 and in accordance with 806 KAR 9:210.

Section 2. An individual may hold only one (1) apprentice adjuster license until the individual is issued an adjuster license in accordance with KRS 304.9-430. Once an individual has held an adjuster license in accordance with KRS 304.9-430, the individual may again be eligible to hold one (1) apprentice adjuster license. (I-9.03; 1 Ky.R. 860; eff. 5-14-75; Am. 9 Ky.R. 610; eff. 12-1-82; 1318; eff. 7-6-83; 29 Ky.R. 1358; 1794; eff. 1-16-2003; TAm eff. 8-9-2007; 37 Ky.R. 495; 1197; eff. 12-3-2010.)